

AMENDED IN SENATE AUGUST 18, 2008

AMENDED IN SENATE JULY 2, 2008

AMENDED IN ASSEMBLY MAY 23, 2008

AMENDED IN ASSEMBLY MARCH 24, 2008

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 2474

Introduced by Assembly Member Galgiani

(Principal coauthor: Senator Kuehl)

(Coauthors: ~~Assembly Members Berg, Dymally, Garcia, Ma, and Portantino~~)

February 21, 2008

~~An act relating to obesity prevention. An act to amend, repeal, and add Section 14105.18 of, and to add Section 14176.6 to, the Welfare and Institutions Code, relating to health care, and declaring the urgency thereof, to take effect immediately.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 2474, as amended, Galgiani. ~~Childhood obesity prevention. Health care programs: provider reimbursement rates.~~

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care benefits.

Existing law also requires the department to administer various health programs, including the California Children's Services Program, Genetically Handicapped Person's Program, Breast and Cervical Cancer Early Detection Program, State-Only Family Planning Program, and Family Planning, Access, Care, and Treatment (Family PACT)

Waiver Program. Under existing law, provider rates of payment for services under these programs are identical to the rates for payment for the same service performed by the same provider type pursuant to the Medi-Cal program. Rates for these services are reduced by 10% commencing July 1, 2008.

This bill would revise these provisions to, instead, require provider rates of payment for services under these programs to be identical to the rates of payment in effect on June 30, 2008, for the same service performed by the same provider type pursuant to the Medi-Cal program, except with regard to hospital interim rates of payment, which the bill would require to be the same as Medi-Cal hospital inpatient rates of payment, as developed by the department, through December 31, 2010.

This bill would also require the department to forgive any calculated overpayment, including interest, to a hospital resulting from the department's reinterpretation of a statute governing services delivered pursuant to the California Children's Services Program before July 1, 2008.

This bill would declare that it is to take effect immediately as an urgency statute.

~~The Budget Act of 2005 required the State Department of Health Services to develop a comprehensive strategic plan that assessed California's current programs and efforts in obesity prevention, identified core gaps or concerns, identified best practices, and made recommendations for improvement.~~

~~Existing law requires the State Department of Public Health to outline a process for developing a prototype state-local nutrition monitoring system. The Coordinating Office for Obesity Prevention within the department coordinates the department's obesity prevention policy and program efforts.~~

~~This bill would declare the intent of the Legislature to encourage the Coordinating Office for Obesity Prevention within the State Department of Public Health to take various actions to ensure that all relevant department programs, as specified, are informed and involved in the planning and implementation of any public education or mass media campaign that promotes healthy eating or increased physical activity for families with children, including efforts to partner with state agencies outside the department to coordinate similar campaigns that target the same population, and to review and promote a specified media campaign focusing on obesity prevention, healthy eating, and active living, as provided.~~

Vote: ~~majority~~^{2/3}. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. It is the intent of the Legislature that this measure*
2 *protect providers from unintended consequences of implementing*
3 *the state budget health trailer bill language from the 2007–08*
4 *Regular Session that will adversely impact reimbursement rates*
5 *paid to providers listed in Section 14105.18 of the Welfare and*
6 *Institutions Code.*

7 *SEC. 2. Section 14105.18 of the Welfare and Institutions Code*
8 *is amended to read:*

9 14105.18. (a) Notwithstanding any other provision of law,
10 *including Section 14105.19, provider rates of payment for services*
11 *rendered in all of the following programs shall be identical to the*
12 *rates of payment in effect on June 30, 2008, for the same service*
13 *performed by the same provider type pursuant to the Medi-Cal*
14 *program, except that hospital inpatient rates of payment shall be*
15 *the Medi-Cal hospital interim rates of payment, as developed by*
16 *the department.*

17 (1) The California Children’s Services Program established
18 pursuant to Article 5 (commencing with Section 123800) of
19 Chapter 3 of Part 2 of Division 106 of the Health and Safety Code.

20 (2) The Genetically Handicapped Person’s Program established
21 pursuant to Article 1 (commencing with Section 125125) of
22 Chapter 2 of Part 5 of Division 106 of the Health and Safety Code.

23 (3) The Breast and Cervical Cancer Early Detection Program
24 established pursuant to Article 1.5 (commencing with Section
25 104150) of Chapter 2 of Part 1 of Division 103 of the Health and
26 Safety Code and the breast cancer programs specified in Section
27 30461.6 of the Revenue and Taxation Code.

28 (4) The State-Only Family Planning Program established
29 pursuant to Division 24 (commencing with Section 24000).

30 (5) The Family Planning, Access, Care, and Treatment (Family
31 PACT) Waiver Program established pursuant to subdivision (aa)
32 of Section 14132.

33 (b) The director may identify in regulations other programs not
34 listed in subdivision (a) in which providers shall be paid rates of

1 payment that are identical to the rates of payments in the Medi-Cal
2 program pursuant to subdivision (a).

3 (c) Notwithstanding subdivision (a), services provided under
4 any of the programs described in subdivisions (a) and (b) may be
5 reimbursed at rates greater than the Medi-Cal rate that would
6 otherwise be applicable if those rates are adopted by the director
7 in regulations.

8 (d) *This section shall remain in effect only until January 1, 2011,*
9 *and as of that date is repealed, unless a later enacted statute, that*
10 *is enacted before January 1, 2011, deletes or extends that date.*

11 SEC. 3. Section 14105.18 is added to the Welfare and
12 Institutions Code, to read:

13 14105.18. (a) Notwithstanding any other provision of law,
14 including Section 14105.19, provider rates of payment for services
15 rendered in all of the following programs shall be identical to the
16 rates of payment in effect on June 30, 2008, for the same service
17 performed by the same provider type pursuant to the Medi-Cal
18 program.

19 (1) The California Children's Services Program established
20 pursuant to Article 5 (commencing with Section 123800) of Chapter
21 3 of Part 2 of Division 106 of the Health and Safety Code.

22 (2) The Genetically Handicapped Person's Program established
23 pursuant to Article 1 (commencing with Section 125125) of Chapter
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26 established pursuant to Article 1.5 (commencing with Section
27 104150) of Chapter 2 of Part 1 of Division 103 of the Health and
28 Safety Code and the breast cancer programs specified in Section
29 30461.6 of the Revenue and Taxation Code.

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31 pursuant to Division 24 (commencing with Section 24000).

32 (5) The Family Planning, Access, Care, and Treatment (Family
33 PACT) Waiver Program established pursuant to subdivision (aa)
34 of Section 14132.

35 (b) The director may identify in regulations other programs not
36 listed in subdivision (a) in which providers shall be paid rates of
37 payment that are identical to the rates of payments in the Medi-Cal
38 program pursuant to subdivision (a).

39 (c) Notwithstanding subdivision (a), services provided under
40 any of the programs described in subdivisions (a) and (b) may be

1 *reimbursed at rates greater than the Medi-Cal rate that would*
2 *otherwise be applicable if those rates are adopted by the director*
3 *in regulations.*

4 *(d) This section shall become operative on January 1, 2011.*

5 *SEC. 4. Section 14176.6 is added to the Welfare and Institutions*
6 *Code, to read:*

7 *14176.6. The department shall forgive any calculated*
8 *overpayment, including interest, to a hospital, as defined in*
9 *subdivision (a) of Section 1250 of the Health and Safety Code,*
10 *resulting from the department's reinterpretation of a statute*
11 *governing services delivered pursuant to the California Children's*
12 *Services Program before July 1, 2008.*

13 *SEC. 5. This act is an urgency statute necessary for the*
14 *immediate preservation of the public peace, health, or safety within*
15 *the meaning of Article IV of the Constitution and shall go into*
16 *immediate effect. The facts constituting the necessity are:*

17 *To ensure that providers of services listed in Section 14105.18*
18 *of the Welfare and Institutions Code are not adversely affected by*
19 *the unintended consequences of statutory changes proposed by*
20 *the implementing provisions of the Budget Act of the 2007–08*
21 *Regular Session at the earliest possible time, it is necessary that*
22 *this act go into immediate effect.*

23 ~~SECTION 1. The Legislature hereby finds and declares all of~~
24 ~~the following:~~

25 ~~(a) Despite increased awareness of the health risks linked to~~
26 ~~being overweight, increasing numbers of California children and~~
27 ~~adolescents are either overweight or obese.~~

28 ~~(b) More than three million children in California are overweight~~
29 ~~or obese, with higher rates among Latino and African American~~
30 ~~children.~~

31 ~~(c) Millions of dollars are spent each year addressing~~
32 ~~obesity-related health problems in children that were once seen~~
33 ~~only in adults, such as type 2 diabetes, joint problems, high blood~~
34 ~~pressure, and high cholesterol.~~

35 ~~(d) In 2005, Governor Schwarzenegger released his "Vision for~~
36 ~~a Healthy California," which included 10 far-reaching changes in~~
37 ~~state systems and local communities to promote healthier eating~~
38 ~~and more active living for all Californians.~~

39 ~~(e) In 2005, responding to Provision 7 of Item 4260-001-0001~~
40 ~~of the Budget Act of 2005, the State Department of Health Services~~

1 issued a California Obesity Prevention Plan (CHHS Plan). The
2 department's plan called for, among other things, all of the
3 following:

4 (1) State-level leadership and coordination that will "create a
5 central point of contact within state government to serve as lead
6 and liaison in working across and within different sectors, such as
7 schools, entertainment, employers, and health care to create active
8 living and healthy eating environments."

9 (2) A statewide public education campaign that will launch a
10 "statewide media campaign that frames healthy eating and active
11 living as California living."

12 (3) A statewide tracking and evaluation system that will
13 "monitor health impacts, population trends, and assess program
14 performance and impact."

15 (f) In 2006, the Institute of Medicine report "Progress in
16 Preventing Childhood Obesity: How Do We Measure Up?" urged
17 state governments to provide more leadership and to "establish
18 high-level task forces on childhood obesity prevention to identify
19 priorities for action, coordinate public sector efforts, and establish
20 effective interdepartmental collaborations."

21 (g) Children Now, which issued the "2008 California Report
22 Card: The State of the State's Children," notes with concern that
23 policy efforts to address childhood obesity in California are
24 "fragmented and uncoordinated," with multiple and conflicting
25 approaches which are confusing and distracting policymakers.
26 Specifically, the report notes that "a coordinating body is needed
27 to effectively pursue a multifaceted strategy that addresses
28 childhood obesity and simultaneously holds policymakers and
29 industry accountable."

30 (h) Considerable state and federal resources are being spent on
31 statewide mass media and public education campaigns or efforts
32 that focus on prevention of childhood obesity, mostly targeting
33 low-income populations.

34 (i) The Special Supplemental Nutrition Program for Women,
35 Infants and Children (WIC), a 100-percent federally funded
36 program of the State Department of Public Health, has a total
37 budget for the 2008 Federal Fiscal Year of \$1 billion, with \$700
38 million allocated for direct provision of specific nutritious foods
39 for 1.4 million low-income participants, including two of every
40 three infants and 750,000 preschool age children.

1 (j) ~~In 2009, federal regulations will allow California to update~~
2 ~~and improve the nutritional content of WIC foods. The new WIC~~
3 ~~food packages will include, for the first time, fresh fruits and~~
4 ~~vegetables, lowfat soy milk and soy substitutes, whole grains, baby~~
5 ~~foods, and flexible choices for cultural groups. The California WIC~~
6 ~~program budget includes \$300 million for direct nutrition services,~~
7 ~~that include individual and group nutrition education and~~
8 ~~breastfeeding promotion.~~

9 (k) ~~The implementation of the new WIC foods, which are~~
10 ~~purchased with WIC checks in over 4,000 WIC-authorized retail~~
11 ~~grocery stores, is an unprecedented opportunity for state~~
12 ~~collaboration and coordination. In addition to the \$700 million in~~
13 ~~permanent annual consumer purchasing power for healthier foods,~~
14 ~~especially fresh fruits and vegetables, by WIC participants, these~~
15 ~~foods will be newly available and more accessible to all other~~
16 ~~low-income shoppers, in neighborhoods where access to affordable~~
17 ~~and nutritious food is often a critical barrier to healthy choice.~~

18 SEC. 2. ~~(a) It is the intent of the Legislature to encourage the~~
19 ~~Coordinating Office for Obesity Prevention within the State~~
20 ~~Department of Public Health to take action to ensure that all~~
21 ~~relevant department programs, including the Women, Infants, and~~
22 ~~Children (WIC) program, are informed and involved in the~~
23 ~~planning and implementation of any public education or mass~~
24 ~~media campaign that promotes healthy eating or increased physical~~
25 ~~activity for families with children, and to partner with state~~
26 ~~agencies outside the department to coordinate similar campaigns~~
27 ~~that target the same population.~~

28 (b) ~~It is further the intent of the Legislature to encourage the~~
29 ~~office to take action to allow for timely notification and~~
30 ~~coordination with relevant state agencies regarding the effective~~
31 ~~implementation of health messages targeting a common population.~~
32 ~~It is also the intent of the Legislature that the office should review~~
33 ~~and provide input on any plan or proposal to conduct a statewide~~
34 ~~or regional media campaign to promote obesity prevention, healthy~~
35 ~~eating, or active living that uses state funds, and has a total annual~~
36 ~~budget that exceeds one million dollars (\$1,000,000), at least one~~
37 ~~year prior to the implementation of the statewide or regional media~~
38 ~~campaign.~~

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